

# Exhibit 11

***United States of America ex rel. Ven-A-Care of the Florida Keys, Inc.,  
et al. v. Dey, Inc., et al., Civil Action No. 05-11084-PBS***

**Exhibit to the Declaration of Marisa A. Lorenzo in Support of Dey's  
Motion to Exclude the Opinions of Mark Duggan, Ph.D.**

Duzor, Deidre - Vol. III

Washington, DC

March 26, 2008

Page 535

Washington, D.C.

Wednesday, March 26, 2008

9:22 a.m.

20 Videotaped deposition of DEIRDRE DUZOR  
21 Volume III

Duzor, Deidre - Vol. III

March 26, 2008

Washington, DC

<p>1 MS. MARTINEZ: Object to form.</p> <p>2 THE WITNESS: Yes, and most don't 3 distinguish between their payments rates for 4 generics and brands.</p> <p>5 BY MR. COOK:</p> <p>6 <b>Q. If, tomorrow, the AWPs published in</b> 7 <b>Redbook were -- instead of as they are today</b> 8 <b>were, instead, empirical averages of the amounts</b> 9 <b>that pharmacies and providers paid for drugs --</b> 10 <b>do you understand the premise of my question</b> 11 <b>there?</b></p> <p>12 A. I think so.</p> <p>13 <b>Q. Do you have any opinion about whether</b> 14 <b>there would be access problems for beneficiaries</b> 15 <b>of Medicaid if that were to happen overnight?</b></p> <p>16 MS. MARTINEZ: Objection. Form.</p> <p>17 THE WITNESS: I will restate your 18 question; you can tell me if it's accurate. If 19 Medicaid was paying pharmacies at a rate lower 20 than what their purchase price of the drug is --</p> <p>21 BY MR. COOK:</p> <p>22 <b>Q. Yes, ma'am.</b></p>	<p>Page 904</p> <p>1 A. To increase it so that -- you know, 2 pharmacies are for-profit businesses. I think 3 Medicaid doesn't -- its goal is not to not 4 reimburse appropriately; it is to reimburse 5 appropriately.</p> <p>6 <b>Q. And just to follow up on that theme a</b> 7 <b>little bit, when you talk about reimbursing</b> 8 <b>appropriately, part of the difficulty of figuring</b> 9 <b>out what it is to reimburse appropriately is the</b> 10 <b>fact that by virtue of it being a formula, you</b> 11 <b>are having one price that applies to several</b> 12 <b>types of providers, right?</b></p> <p>13 A. Several types of providers? What do 14 you mean by --</p> <p>15 <b>Q. Or several types of pharmacies. The</b> 16 <b>same price to Joe's Pharmacy as it is to</b> 17 <b>Walgreens as to CVS as to an infusion pharmacy as</b> 18 <b>to a nursing home pharmacy, for example.</b></p> <p>19 A. If that's the way the state has done 20 their formula, which most states do.</p> <p>21 <b>Q. And most states also --</b></p> <p>22 A. They could differentiate, but most</p>
<p>Page 905</p> <p>1 A. -- would there be access problems?</p> <p>2 <b>Q. Yes.</b></p> <p>3 A. I would guess there would be.</p> <p>4 <b>Q. Why?</b></p> <p>5 A. Why?</p> <p>6 <b>Q. Yes, ma'am.</b></p> <p>7 A. Because pharmacies would stop serving 8 Medicaid in order to try to get the reimbursement 9 to be raised.</p> <p>10 <b>Q. Do you have any opinion about what</b> 11 <b>would be the consequence if the various state</b> 12 <b>Medicaid programs were paying based upon an AWP</b> 13 <b>that was an empirical average of what pharmacies</b> 14 <b>were obtaining drugs for?</b></p> <p>15 A. Well, states don't want to cause access 16 problems any more than the federal government 17 does, so if the new AWPs would turn out to be 18 actual purchasing -- the price at which the drug 19 could be purchased, I think states -- we would 20 have a run on state plan amendments to change 21 their formula for reimbursement.</p> <p>22 <b>Q. In what way?</b></p>	<p>Page 907</p> <p>1 states do not.</p> <p>2 <b>Q. And most states also have a formula</b> 3 <b>that applies the same formula to pills as it does</b> 4 <b>to IV drugs or infusion drugs as it does to a</b> 5 <b>compounded drug for a pediatric purpose, right?</b></p> <p>6 A. Yes. Some states have different 7 compound drug reimbursements -- or, actually, 8 it's dispensing fees that differ for compound 9 drugs, yes, you're right.</p> <p>10 <b>Q. But in various ways there is a one size</b> 11 <b>fits all aspect to this payment system that</b> 12 <b>Medicaid uses for drugs, right?</b></p> <p>13 A. Yes. We cover -- the Medicaid program 14 covers probably close to 50,000 drugs, so these 15 are not priced on an individual basis. That 16 would be very impractical.</p> <p>17 <b>Q. And so by the very nature of the</b> 18 <b>program, some drugs will be priced at larger gaps</b> 19 <b>from acquisition cost than other drugs depending</b> 20 <b>upon what the drug is, who the provider is, where</b> 21 <b>the pharmacy is located, and probably more</b> 22 <b>factors than I could think of right now, right?</b></p>

94 (Pages 904 to 907)